

ATO determination regarding \$202 million capital reduction

(SYDNEY) 17 October 2016 – Genworth Mortgage Insurance Australia Limited (Genworth or the Company) (ASX: GMA) advises that the Australian Taxation Office (ATO) has issued its determination in relation to the distribution of \$0.34 per share paid by Genworth on 1 June 2016. The payment formed part of the Company's Capital Reduction and Share Consolidation capital management initiative that was announced on 31 March 2016 and approved by shareholders at the Annual General Meeting on 5 May 2016.

The tax implications for each shareholder will depend on the circumstances of the particular shareholder. All shareholders are encouraged to seek independent professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisers assumes any liability or responsibility for advising shareholders about the tax consequences of the Capital Reduction and/or Share Consolidation.

The ATO has determined that, in accordance with Section 45C of the Income Tax Assessment Act 1936, the distribution of \$0.34 per share is taken, for the purposes of the Act, to be an unfranked dividend paid out of the profits of Genworth Mortgage Insurance Australia Limited to each of its shareholders (the taxpayers) and shall be included in the assessable income of the taxpayers for the income year in which they derive the distributions.

A copy of the ATO determination is attached.

For more information:

Analysts and Investors should contact:

Media should contact:

Alistair Reid

Investor Relations Manager

T: +61 2 8248 2552

Mark Westfield

M: +61 457 805 838

About Genworth

Genworth Mortgage Insurance Australia Limited (Genworth), through its subsidiary companies Genworth Financial Mortgage Insurance Pty Ltd and Genworth Financial Mortgage Indemnity Ltd (together, the Genworth Group or the Group), is the leading provider of Lenders Mortgage Insurance (LMI) in the Australian residential mortgage lending market. The Genworth Group has been part of the Australian residential mortgage lending market for 50 years since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia. Genworth is currently a subsidiary of Genworth Financial, Inc. and part of the Genworth Financial, Inc. group of companies. The Genworth Financial, Inc. group of companies' current ownership interest in Genworth is approximately 52% of the issued shares in Genworth.

**DETERMINATION MADE PURSUANT TO SUBSECTION 45B(3) OF THE
INCOME TAX ASSESSMENT ACT 1936**

The shareholders of Genworth Mortgage Insurance Australia Limited

I, Jeremy Hirschhorn, Deputy Commissioner of Taxation, Public Groups and International, in the exercise of the powers and functions delegated to me by the Commissioner of Taxation by instrument of delegation signed and dated on 17 September 2015 determine under paragraph 45B(3)(b) of the *Income Tax Assessment Act 1936* (the Act) that section 45C of the Act applies to the distribution of \$0.34 per share paid by Genworth Mortgage Insurance Australia Limited on 1 June 2016 to its shareholders registered on the Record Date, being 25 May 2016.

In accordance with section 45C of the Act, the distribution of \$0.34 per share is taken, for the purposes of the Act, to be an unfranked dividend paid out of the profits of Genworth Mortgage Insurance Australia Limited to each of its shareholders (the taxpayers) and shall be included in the assessable income of the taxpayers for the income year in which they derive the distributions.

Signed at Sydney, this 14th day of October 2016

Jeremy Hirschhorn
Deputy Commissioner of Taxation, Public Groups and International

Per 
(Thi Tran)